

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING  
(PROPOSAL TWO)

Docket No. RM2018-5

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO QUESTIONS 1-11 OF CHAIRMAN'S INFORMATION REQUEST NO. 3  
(July 23, 2018)**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 3, issued July 16, 2018. The questions are stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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1. The Postal Service states that “[b]efore the test begins, the data collector identifies all carriers who will be working and assigned to the tested zone for any part of the morning.” Petition, Proposal Two at 20.
  - a. Please describe the data source and how “assigned to the tested zone” is determined.
  - b. Are all newly hired full-time and part-time carriers assigned to a zone and included on the data collector’s list? If not, please describe the circumstances by craft group, when a newly hired carrier would not be assigned to a zone and not included on the data collector’s list.
  - c. If applicable, please describe any other circumstances when a carrier would not be assigned to a zone and not included on the data collector’s list.

**RESPONSE:**

- a. The Data Collector Technician (DCT) coordinates with the delivery supervisor at the test facility on the morning of the test to determine which carriers are assigned to the tested zone and are eligible for sampling. The data collection instrument assists the DCT by pre-populating the pool of carriers eligible for sampling with those that clocked primarily to the test zone during the most recently available pay period. The software provides a list, updated each pay period, of all carriers within the district, and the DCT adds carriers identified by the delivery supervisor to the eligible list. If there are new carriers that will be working that morning but who are not listed in the software, the DCT can manually insert these employees into the pool that are eligible for sampling.
- b. Even if a new carrier is not included in the list provided in the data collection instrument, the DCT can manually insert these employees into the list of those eligible for sampling in the pool. For offices with a single zone, all carriers,

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including newly hired carriers undergoing training, would be assigned to the test zone. In a multi-zone office, if newly hired carriers are not assigned to a specific zone, they may not be included in the sampling pool.

- c. One circumstance where carriers would not be included on the list can occur if they are called in later in the day due to some unanticipated emergency. For example, if a carrier falls ill and leaves after the IOCS-Cluster test has started, it would be too late to include any replacement carrier who earlier was not expected to work in the test zone. Similarly, if a carrier will be loaned from another office to assist in the test zone later in the day, but the specific carrier is not identified before the IOCS-Cluster test begins, that carrier would not be included in the eligible list.

There may be circumstances where a carrier is not assigned to a zone, although they typically will not be handling mail. Examples include, carriers working on union business, or assigned to perform general administrative duties. In offices with only one zone, these carriers would be included in the list of carriers eligible for sampling, but they may not be included in tests occurring in multi-zone offices.

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2. The Postal Service states that “[i]n morning tests, a maximum of six carriers would be subsampled to represent the zone, rather than all carriers” and intends to “post-stratify readings by route group . . . and craft group (full-time; part-time / transitional).” Petition, Proposal Two at 3, 4.
- a. Please describe how the six carriers would be identified and selected when a zone has more full-time than part-time carriers.
  - b. Please describe how the six carriers would be identified and selected when a zone has more part-time than full-time carriers.

**RESPONSE:**

a.-b. The six carriers that are subsampled from the pool of eligible carriers are selected using a hashing function applied to their Employee Identification Number, which acts as a pseudo-random number generator. The subsampling does not depend on their craft group or roster designation. On average, this approach will select craft groups in proportion to their number within the zone.

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3. The Postal Service states that "it is recommended not to sample the same individual too frequently, as they may mistake data collection related to IOCS for a type of personal performance monitoring. Therefore, in general, we avoid conducting more than one reading on the same employee within a 30 minute period."<sup>1</sup> For the morning tests, generally, it appears that often the same six carriers were each sampled six times (once every half hour over a three-hour time frame).<sup>2</sup> Please discuss the reason(s) why the same six carriers are sampled each half hour rather than sampling another group of six carriers in the subsequent half hour time blocks.

**RESPONSE:**

The reason that only six carriers are subsampled is primarily due to the introduction of sampling in the parking area. It is relatively easier to find the carriers to sample if they are at their case sequencing mail for their route. As stated in the response to Chairman's Information Request No. 1, question 12, it is much harder for data collectors to find carriers that they have never met before if those carriers are away from their cases; for example, loading their vehicles in the parking area. Reducing the number of carriers who are subsampled provides the data collector the opportunity to meet and communicate with each carrier while they are still working at their case in the early morning. The data collector can learn where the carrier's vehicle is located in the parking area, and approximately when the carrier will leave to load their vehicle. Without this type of information and the enhanced ability to identify the carrier quickly, it would

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<sup>1</sup> Responses of the United States Postal Service to Questions 1-19 of Chairman's Information Request No.1, June 29, 2018, question 12 (Responses to CHIR No. 1).

<sup>2</sup> Commission review of SAS datasets, see *also* Library Reference USPS-RM2018-5/2, June 29, 2018, folder "RM2018-5.2.Public.zip," folder "Prop2.CHIR1.Q15.Public.zip," folder "Prop2.CHIR1.Q15.Public," PDF file "SP Letter #3 FY2017\_R.pdf," at 4, which states "[o]nce you begin taking readings, you will not be able to change the list of six employees to sample."

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often not be feasible to conduct readings in the parking area within the five minutes allotted.

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4. In its Informal Response to the Public Representative, the Postal Service “[g]enerally confirmed” that the number of carriers working in a zone in the morning is proportional (or nearly proportional) to the number of routes in a zone.<sup>3</sup> Informal Response to the PR, question 1.b. Please refer to the table below provided in Docket No. ACR2017, Responses to CHIR No. 21.<sup>4</sup> Please describe for each city carrier craft and CAG group, how the number of carriers working in a zone in the morning is proportional to the number of city carriers in each city carrier craft and CAG group.

CAG	# of offices (universe)	# of offices with >0 sampleable employee[s]	# of Timecard offices (no TACS data)	# of Full Time city carriers, all offices	# of Part Time city carriers, all offices	# of Full Time city carriers in Timecard offices	# of Part Time city carriers in Timecard offices
A	2,815	2,100	720	46,113	10,921	3	0
B	1,194	1,106	103	27,047	6,432	0	0
C	1,537	1,463	99	41,227	9,556	1	0
D	878	857	57	18,873	4,537	1	0
E	1,641	1,625	68	20,512	5,410	6	6
F	2,215	2,207	252	9,040	3,276	54	42
G	3,205	3,191	1,035	3,065	2,046	147	140
H	3,903	3,885	2,321	630	744	82	112
J	4,832	4,805	3,132	60	100	11	23
K	8,988	8,578	6,452	2	7	0	1
L	3,974	1,460	3,785	0	0	0	0
Total	35,182	31,277	18,024	166,569	43,029	305	324
Source: Docket No. ACR2017, Responses to CHIR No. 21, question 14.							

### RESPONSE:

The proportional relationship discussed in the Informal Response of the United States Postal Service to Question Posed by the Public Representative referred to the number

<sup>3</sup> Informal Response of the United States Postal Service to Question Posed by the Public Representative, July 9, 2018 (Informal Response to the PR).

<sup>4</sup> See Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-16 of Chairman's Information Request No. 21, March 5, 2018, question 14 (Docket No. ACR2017, Responses to CHIR No. 21).

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of city carriers actually working in the office on the morning of the test, not the number on the rolls for the finance number. Because carriers are generally scheduled to work on only five of the six delivery days and sometimes take leave, offices will tend to have more carriers on their rolls than the number of carriers working on one specific day. This is especially true for offices with large numbers of routes; offices with few routes may be more likely to borrow carriers from another office when faced with a temporary shortfall. Nevertheless, despite relative differences in the number of carriers on the rolls for finance numbers, the number of carriers actually working on any particular day will generally be proportional to the number of routes.



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5. In the current IOCS methodology, the Postal Service states that afternoon readings are sufficient to estimate costs by CAG, route type and craft subgroup. Responses to CHIR No. 1, question 5.b.
- a. Are there a sufficient number of afternoon readings under the Proposal Two methodology to reliably estimate costs by craft subgroup and route type? If so, please describe any analysis supporting the response. If not, please discuss the reason(s) why.
  - b. Are there a sufficient number of afternoon readings under the Proposal Two methodology to reliably estimate costs by craft subgroup and route group? If so, please describe any analysis supporting the response. If not, please discuss the reason(s) why.

**RESPONSE:**

- a. No. See Table Q5 below. There are route types that have too few tallies to estimate costs reliably, such as route types 71, 80 and 89 for part-time carriers that are likely to have fewer than 5 non-stop tallies even after a full year of data collection.
- b. Yes. From Table Q5, all route groups have a sufficiently large number of non-stop readings for both carrier subgroups.

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**Table Q5: Count of IOCS-Cluster Afternoon Non-stop Tallies**

<b>RGroup</b>	<b>Route Type</b>	<b>Full-Time</b>	<b>Part- Time</b>	<b>Grand Total</b>
<b>REG</b>	71	12	1	13
	73	47	8	55
	75	145	30	175
	77	624	146	770
	78	2,111	538	2,649
	80	15	1	16
	82	46	12	58
	83	157	38	195
<b>REG Total</b>		<b>3,157</b>	<b>774</b>	<b>3,931</b>
<b>SPR</b>	86	26	27	53
	87	27	44	71
	89	3	2	5
	98	38	24	62
<b>SPR Total</b>		<b>94</b>	<b>97</b>	<b>191</b>
<b>Grand Total</b>		<b>3,251</b>	<b>871</b>	<b>4,122</b>

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6. The Postal Service states that the “[i]nstructions for IOCS-Cluster data collectors are provided in folder USPS-RM2018-/2.” *Id.*, question 15. However, it appears that it provided Statistical Programs policy memos describing updates and changes.<sup>5</sup>
- a. Other than the updates and changes described in the Statistical Programs policy memos provided in Library Reference USPS-RM2018-5/2 and in the Petition, are the other data collector instructional materials and updates provided in Docket No. RM2016-11 still applicable under the Proposal Two methodology?<sup>6</sup> If not, please describe which sections of those data collector instructional materials provided in Docket No. RM2016-11 are not applicable.
  - b. In Docket RM2016-11/2, the data collectors’ guidance to perform afternoon telephone tests was: “[i]f the carrier’s supervisor cannot be reached, or is not available within 3 minutes, select the No Respondent Available button . . . .” (emphasis omitted).<sup>7</sup> Is this guidance still applicable under Proposal Two? If so, please discuss whether increasing this time would or would not impact the number of afternoon telephone readings completed.

**RESPONSE:**

- a. Please see the material being filed in folder USPS-RM2018-5/3 that better describes the differences of IOCS-ClusterV2 compared to the original IOCS-Cluster.
- b. Yes, the data collector may still select the No Respondent Available button if they cannot reach a respondent within three minutes. Increasing this duration may either increase or decrease the number of readings that are complete. On the

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<sup>5</sup> See Library Reference USPS-RM2018-5/2, folder “RM2018-5.2.Public.zip,” folder “Prop2.ChIR1.Q15.Public.zip,” folder “Prop2.ChIR1.Q15.Public,” PDF files “SP Letter #3 FY2017\_R.pdf,” “SP Letter #1, FY2018\_R.pdf.”

<sup>6</sup> Petition, Proposal Two at 2-3; see Docket No. RM2016-11/2, Public Material Filed in Response to Chairman’s Information Request No. 1 (Questions 1, 3, 4, 5, 7, 8, 13, 18a,b), September 16, 2016, folder “USPS-RM2016-11/2,” folder “ChIRQ04” (Docket No. RM2016-11/2, Response to CHIR No. 1).

<sup>7</sup> Docket No. RM2016-11/2 Response to CHIR No.1, folder “USPS-RM2016-11/2,” folder “ChIRQ04,” PDF file “SP Letter #2 FY2016\_110515\_Final.

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one hand, increasing the amount of time trying to contact a respondent may cause the data collector to run out the allotted time for the hour-long test and be unable to attempt readings from the end of the list. On the other hand, waiting for an additional minute may allow the data collectors to reach a respondent that they otherwise would not, while they still may be able to attempt calls on as many carriers on the list as they otherwise would have. Note that when there will be multiple carrier readings at the same office, data collectors may spend additional time attempting to contact a respondent. This was facilitated by an improvement in the data collection instrument that grouped and re-sequenced readings from the same finance number after the random selection of thirty carriers. More easily recognizing that multiple readings on the list are associated with a particular office gives the data collector greater incentive to spend more time attempting to reach a respondent in that office.

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7. The Postal Service states that “[t]he little time spent in the office [in the afternoon] is mostly for street support activities.” Petition, Proposal Two at 11. Please describe all city carrier activities in the afternoon.

**RESPONSE:**

City carrier afternoon activities in the office could typically include the following:

returning keys, scanners, accountable mail and or empty equipment to their designated staging areas; returning and or handling undeliverable and or collection mail; completing required forms; giving or receiving training; personal needs, conversations with management about workload and other items, addressing customer or other inquiries, providing auxiliary assistance, afternoon casing, conducting union business and clocking out. On the street, afternoon activities include delivering and collecting mail.

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8. Please refer to Table 1: Proposed Sample Sizes and Projected Number of Non-Stop Readings. Petition, Proposal Two at 8.
- a. Please provide the proposed number of tests per year by carrier craft and CAG groups for each row in Table 1.
  - b. Please specify when morning readings start for both types of morning readings.

**RESPONSE:**

- a. Table Q8a provides the expected number of tests by CAG for each test type in the morning, based on the number of city carrier routes. In the afternoon, tests are district-wide, and not assigned to a specific CAG. IOCS-Cluster tests are not assigned to specific craft subgroups, but Table Q8a provides the expected number of readings for full- and part-time carriers by CAG based on the readings in FY17Q4 and FY18Q1 IOCS-Cluster data.

**Table Q8a: Projected Number of Tests and Non-stop Readings  
by Test Type and CAG**

Sampling Mode and CAG	Proposed tests per year	Projected Full-Time readings per year	Projected Part-Time readings per year	Projected total readings per year
AM On-site, stand-alone, total	4,000	125,700	19,604	145,304
A	1,132	35,681	5,433	41,114
B	579	18,349	2,671	21,021
C	928	29,743	3,973	33,716
D	485	14,950	2,684	17,634
E	550	17,059	2,906	19,966
F	272	8,257	1,638	9,894
G	51	1,413	447	1,859
H	3	85	15	100
J	0	0	0	0
K	0	0	0	0

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Sampling Mode and CAG	Proposed tests per year	Projected Full-Time readings per year	Projected Part-Time readings per year	Projected total readings per year
AM On-site, synchronized with CCCS, total	1,000	11,565	0	11,565
A	23	218	52	269
B	26	247	59	306
C	40	378	88	465
D	34	321	77	398
E	187	1,715	452	2,167
F	1,025	8,702	3,154	11,856
G	1,927	13,368	8,924	22,291
H	646	3,424	4,043	7,467
J	82	356	593	949
K	8	20	71	92
PM Telephone, total	980	8,305	2,145	10,451
A		2,299	545	2,844
B		1,349	321	1,669
C		2,056	476	2,532
D		941	226	1,167
E		1,023	270	1,293
F		451	163	614
G		153	102	255
H		31	37	69
J		3	5	8
K		0	0	0
Total	5,980	145,570	21,750	167,320

- b. Data collectors arrive at the delivery unit before all carriers clock in in order to set up their sampling pool with assistance from the delivery supervisor. They begin conducting readings once the first carrier clocks in for work. One exception can occur when the first carrier clocks in much earlier than the others, for example, if

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that carrier will be acting as a supervisor and begins working hours before the normal time for carriers to begin.



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9. Please refer to Table 3: IOCS-Cluster Impact on Costs by Tally Category. Petition, Proposal Two at 13.
- a. Please discuss the reason(s) for the decrease in mixed mail costs.
  - b. Please discuss the reason(s) for the decrease in support/administrative costs.
  - c. Please discuss the reason(s) for the decrease in training costs.
  - d. To what extent is, the decrease in mixed mail, support/administrative and training costs due to the lower number of both city carrier craft groups sampled and the lower number of offices sampled? Please provide any analysis supporting the response.

**RESPONSE:**

- a.-c. On-site data collectors are not as restricted in their time availability as carrier supervisors who have primary duties in addition to their role as telephone respondents. In addition, in offices with multiple zones, carriers who are performing general administrative work or new carriers in training may not be included among the list eligible for sampling; please see the response to question 1 of this ChIR.
- d. The costs for these categories of activities are based on the estimated percentages of dollar-weighted tallies. Both craft groups, full- and part-time, are sampled in both IOCS-Cluster and current non-cluster IOCS. Although a smaller number of offices are tested in IOCS-Cluster, there are twice as many readings obtained in one morning test (median is 36) compared to the total number of readings obtained at one office over an entire quarter of current non-cluster tests (median is 18).

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- 10.** The workbooks showing the impact of Proposal Two contain a note stating “[c]osts for carriers on Sunday, including carriers acting as supervisors, attributed 100% to Parcel Select.”<sup>8</sup>
- a. Please describe under what circumstances in the current IOCS methodology a supervisor reading would be conducted if a “carrier is acting as a supervisor.”
  - b. Please describe under what circumstances in the current IOCS methodology a carrier reading would be conducted if a “carrier is acting as a supervisor.”
  - c. Please see Attachment, filed under seal.
  - d. Please see Attachment, filed under seal.

**RESPONSE:**

- a,-b. If a carrier is acting as a supervisor, the IOCS data collector will record the employee as a supervisor rather than carrier. In general, the carrier will be clocked into LDC 20. One exception to this may occur on Sundays, where City Carrier Assistants may, in fact, be acting as supervisor, but not clock into LDC 20.
- c,-d. Response provided under seal

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<sup>8</sup> See Library Reference USPS-RM2018-5/2, folder “RM2018-5.2.Public.zip,” folder “Public Workbooks\_ChIR1.zip,” folder “PublicWorkbooks\_ChIR1,” Excel file “Prop2.ChIR1.Q8.Cluster Impac.Public.xlsx,” cell A51.

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11. The Postal Service states that the “petition shows the effects of attributing all Sunday/Holiday costs to [the Parcel Select product] for purposes of evaluating and presenting the estimated impact on FY2017 costs.” Petition, Proposal Two at 9.
- a. Please see Attachment, filed under seal.
  - b. Please see Attachment, filed under seal.

**RESPONSE:**

Response provided under seal.